

**County of Muskegon,
Michigan**

**Additional Reports Required by
OMB Circular A-133
September 30, 2006**

County of Muskegon, Michigan

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**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards***

To the Board of County Commissioners of the
County of Muskegon, Michigan

We have audited the financial statements of the County of Muskegon, Michigan as of and for the year ended September 30, 2006, and have issued our report thereon dated December 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Muskegon, Michigan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of Muskegon, Michigan in a separate letter dated December 6, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Muskegon, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ridma LaPres, PLLC

Muskegon, Michigan
December 6, 2006

**Report on Compliance With Requirements
Applicable to Each Major Program and on
Internal Control Over Compliance in
Accordance With OMB Circular A-133**

To the Board of County Commissioners of the
County of Muskegon, Michigan

Compliance

We have audited the compliance of the County of Muskegon, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2006. The County of Muskegon, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Muskegon, Michigan's management. Our responsibility is to express an opinion on the County of Muskegon, Michigan's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Muskegon, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Muskegon, Michigan's compliance with those requirements.

As described in item 2006-1 in the accompanying schedule of findings and questioned costs, the County of Muskegon, Michigan did not comply with the requirements regarding cash management that is applicable to its WIA Cluster. Compliance with such requirement is necessary, in our opinion, for the County of Muskegon, Michigan to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County of Muskegon, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2006.

Internal Control Over Compliance

The management of the County of Muskegon, Michigan is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Muskegon, Michigan's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the County of Muskegon, Michigan as of and for the year ended September 30, 2006, and have issued our report thereon dated December 6, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Muskegon, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners of the County of Muskegon, Michigan, management and federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Prudencia LaPres, PLLC

Muskegon, Michigan
February 13, 2007

<i>Year ended September 30, 2006</i>	CFDA Number	Federal Grants Awarded
Department of Transportation		
Urban Mass Transportation Capital and Operating Assistance		
MI-90-0365 (5880)	20.507	\$ 1,689,142
MI-90-0388 (5880)	20.507	1,707,054
MI-90-X407 (5880)	20.507	1,968,161
MI-90-X443 (5880)	20.507	1,688,826
MI-90-X476 (5880)	20.507	1,266,834
MI-90-X497 (5880)	20.507	1,508,469
Passed through Michigan Department of Transportation		
MDOT 2002-0072Z5 (5880)	20.507	1,633,548
Emergency Services - HMEP Planning Committee (1190-0430)	20.703	2,154
Intersection Enforcement RS-06-04 (1210-0319)	20.600	19,296
Drive Michigan safely OP-06-07 (1210-0317)	20.600	39,889
MACP Equipment Award PT-06-96 (1210-0318)	20.600	1,963
Passed through Michigan Department of Highway		
Airport Improvement Program 3-26-0601-02807(5810-0543)	20.106	984,200
Airport Improvement Program 97-1-3-26-0071-2001(5810)	20.106	462,218
Airport Improvement Program 97-1-3-26-0071-2303(5810)	20.106	892,800
Airport Improvement Program 97-1-3-26-0071-2403(5810)	20.106	998,160
Airport Improvement Program 97-1-3-26-0071-2504(5810)	20.106	2,567,844
Airport Improvement Program 97-1-3-26-0071-2605(5810)	20.106	1,000,000
Air Service Development OST-2003-15065-2(5810)	20.930	500,000
		18,930,558
Department of Labor		
Passed through Michigan Department of Career Development		
Labor exchange (2731)	17.207	452,983
TAA/NAFTA (2733)	17.245	473,077
Reemployment Services (2738)	17.207	32,142
MI WE CAN (2744)	17.267	65,000
WIA, WIA Administration (2760)	17.258	198,158
WIA, WIA Administration (2760)	17.259	219,150
WIA, WIA Administration (2760)	17.260	327,087
WIA, WIA Adult (2761)	17.258	1,316,473
WIA, WIA Youth (2762)	17.259	833,925
WIA, WIA Dislocated Worker (2763)	17.260	1,910,415
WIA Youth Statewide (2766)	17.258	2,853
WIA Youth Statewide (2766)	17.259	3,155

County of Muskegon, Michigan

Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ 1,164,103	\$ 9,245	\$ 1,173,348	\$ 1,164,103	\$ 9,245	\$ 1,173,348	\$ 515,794
1,283,542	73,142	1,356,684	1,283,542	73,142	1,356,684	350,370
1,178,157	30,000	1,208,157	1,178,157	30,000	1,208,157	760,004
1,093,178	-	1,093,178	1,093,178	-	1,093,178	595,648
997,767	261,067	1,258,834	997,767	261,067	1,258,834	8,000
-	1,079,170	1,079,170	-	1,079,170	1,079,170	429,299
1,587,375	25,053	1,612,428	1,587,375	25,053	1,612,428	21,120
	2,154	2,154	-	2,154	2,154	-
-	7,897	7,897	-	7,897	7,897	11,399
-	27,801	27,801	-	27,801	27,801	12,088
-	1,804	1,804	-	1,804	1,804	159
740,515	-	740,515	740,515	-	740,515	243,685
462,218	-	462,218	462,218	-	462,218	-
117,064	-	117,064	117,064	-	117,064	775,736
952,209	-	952,209	952,209	-	952,209	45,951
1,221,624	137,053	1,358,677	1,221,624	137,053	1,358,677	1,209,167
232,400	-	232,400	232,400	-	232,400	767,600
469,155	-	469,155	469,155	-	469,155	30,845
11,499,307	1,654,386	13,153,693	11,499,307	1,654,386	13,153,693	5,776,865
-	285,242	285,242	-	285,242	285,242	167,741
-	473,077	473,077	-	473,077	473,077	-
-	31,378	31,378	-	31,378	31,378	764
89	64,911	65,000	89	64,911	65,000	-
-	166,513	166,513	-	166,513	166,513	31,645
-	184,153	184,153	-	184,153	184,153	34,997
-	274,853	274,853	-	274,853	274,853	52,234
-	1,184,962	1,184,962	-	1,184,962	1,184,962	131,511
-	758,843	758,843	-	758,843	758,843	75,082
-	1,046,528	1,046,528	-	1,046,528	1,046,528	863,887
-	2,710	2,710	-	2,710	2,710	143
-	2,997	2,997	-	2,997	2,997	158

<i>Year ended September 30, 2006</i>	CFDA Number	Federal Grants Awarded
Department of Labor (Continued)		
Passed through Michigan Department of Career Development (Continued)		
WIA Youth Statewide (2766)	17.260	\$ 4,709
WIA Service Center Operations (2767)	17.258	41,509
WIA Service Center Operations (2767)	17.259	45,906
WIA Service Center Operations (2767)	17.260	68,516
Incumbent Worker (2768)	17.258	14,912
Incumbent Worker (2768)	17.259	16,491
Incumbent Worker (2768)	17.260	24,614
Reed Act Funds (2769)	17.225	222,292
		6,273,367
Department of Justice		
2004 Project Safe Neighborhoods 2003-GP-CX-0561 (2832)	16.609	40,000
Office of Justice Programs (1010-0351-529000) 2005-SCAAP	16.610	7,942
Office of Justice Programs (2650) 2005-DJ-BX-0962	16.579	92,167
2004-UMWX0034 (5920-5060)	16.710	75,000
Passed through Michigan Department of Transportation		
Youth Alcohol Enforcement Grant JJ-05-22 (1210-0318)	16.727	13,990
Passed through Michigan Dept. of Management and Budget		
VOCA Grant 20484-6V00 (2800)(0231,0232)	16.579	174,214
Passed through Michigan Department of Human Services		
Juvenile Acc. Inc. Block Grant JAIBG 04-61001(2831)	16.540	54,467
Juvenile Acc. Inc. Block Grant JAIBG 05-61001(2831)	16.523	40,206
Passed through Office of Drug Control Policy		
Ottawa County (1010-0301) 70834-706B	16.579	38,264
Ottawa County (1010-0301) 70834-604B	16.579	35,795
		572,045
Department of Homeland Security		
Passed through the Department of State Police		
Emergency Services - State Homeland Security (1190-0433)	97.005	22,000
Emergency Services - State Homeland Security RRT (1190-0434)	97.067	697,031
Emergency Services - Homeland Security Exercise (1190-0435)	97.006	58,200
Emergency Services - State Homeland Security (1190-0439)	97.004	870,263
Passed through the Department of Natural Resources		
Marine Safety (1200-0331) Operations	97.012	10,400
Marine Safety (1200-0331) Equipment	97.012	15,800
		1,673,694

County of Muskegon, Michigan

Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ -	\$ 4,473	\$ 4,473	\$ -	\$ 4,473	\$ 4,473	236
-	24,590	24,590	-	24,590	24,590	16,919
-	27,195	27,195	-	27,195	27,195	18,711
-	40,588	40,588	-	40,588	40,588	27,928
-	1,544	1,544	-	1,544	1,544	13,368
-	1,708	1,708	-	1,708	1,708	14,783
-	2,548	2,548	-	2,548	2,548	22,066
-	89,595	89,595	-	89,595	89,595	132,697
89	4,668,408	4,668,497	89	4,668,408	4,668,497	1,604,870
38,259	1,741	40,000	38,259	1,741	40,000	-
-	7,942	7,942	-	7,942	7,942	-
-	91,901	91,901	-	91,901	91,901	266
53,506	14,305	67,811	53,506	14,305	67,811	7,189
6,743	-	6,743	6,743	-	6,743	7,247
-	165,686	165,686	-	165,686	165,686	8,528
27,223	21,853	49,076	27,223	21,853	49,076	5,391
-	8,963	8,963	-	8,963	8,963	31,243
-	38,264	38,264	-	38,264	38,264	-
34,925	870	35,795	34,925	870	35,795	-
160,656	351,525	512,181	160,656	351,525	512,181	59,864
-	21,754	21,754	-	21,754	21,754	246
12,000	495,403	507,403	12,000	495,403	507,403	189,628
902	52,996	53,898	902	52,996	53,898	4,302
433,068	437,195	870,263	433,068	437,195	870,263	-
-	10,400	10,400	-	10,400	10,400	-
-	15,800	15,800	-	15,800	15,800	-
445,970	1,033,548	1,479,518	445,970	1,033,548	1,479,518	194,176

<i>Year ended September 30, 2006</i>	CFDA Number	Federal Grants Awarded
Department of Agriculture		
National School Breakfast Program (2920-529020)	10.553	\$ 10,546
National School Lunch Program (2920-529030)	10.555	18,135
Child and Adult Care Food Distribution (2920-529040)	10.558	5,493
Passed through Michigan Department of Career Development Food Stamp Program (2759)	10.561	144,616
Passed through Michigan Department of Comm. Health Special Supplemental Food Program for Women, Infants and Children WIC (6413)	10.557	822,075
		1,000,865
Department of Health and Human Services		
Passed through Michigan Department of Human Services Prosecutor Cooperative (IV-D Incentive) (1150)	93.563	137,182
Child Support Enforcement Program (IV-D CRP Contract) (2150-0141)	93.563	1,353,671
Child support Incentive Payments (2150-0142)	93.558	287,341
Passed through Michigan Department of Career Development TANF, Workfirst (2751)	93.558	3,498,960
Passed through the State Court Administrator's Office Access and Visitation Grant (2150-1421)	93.597	6,875
Passed through the Department of Community Health Parent Management Traing (2220-7041)	93.958	12,500
Integrated Dual Disorders (2220-7044)	93.958	35,000
Child Care Expulsion Prevention (2220-7046)	93.575	70,000
Family Psycho-ED (2220-7047)	93.958	25,728
Recovery (2220-7048)	93.958	67,615
Jail Diversion (2220-7049)	93.958	57,000
Suicide Prevention (2220-7053)	93.958	29,100
OBRA-PASARR (2220-7320)	93.778	36,800
Homeless Project (2220-7327)	93.150	43,500
MI Child Respite (2222-7161)	93.958	6,292
Emergency Preparedness (6111)	93.283	257,345
AIDS Prevention (6312)	93.940	100,052
Std Control (6313)	93.977	24,643
Std Control (6313)	93.991	18,166
Medicaid Outreach (6409)	93.778	15,110
Case Management Services (6410)	93.994	23,139

County of Muskegon, Michigan

Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			
Prior Years	Current Year	Total	Prior Years	Current Year	Total	Funds Available
\$ -	\$ 10,546	\$ 10,546	\$ -	\$ 10,546	\$ 10,546	-
-	18,135	18,135	-	18,135	18,135	-
-	5,493	5,493	-	5,493	5,493	-
-	1,000	1,000	-	1,000	1,000	143,616
-	822,075	822,075	-	822,075	822,075	-
-	857,249	857,249	-	857,249	857,249	143,616
-	130,250	130,250	-	130,250	130,250	6,932
-	1,191,254	1,191,254	-	1,191,254	1,191,254	162,417
-	287,341	287,341	-	287,341	287,341	-
-	3,498,960	3,498,960	-	3,498,960	3,498,960	-
-	1,612	1,612	-	1,612	1,612	5,263
-	12,500	12,500	-	12,500	12,500	-
-	27,953	27,953	-	27,953	27,953	7,047
-	70,000	70,000	-	70,000	70,000	-
-	25,358	25,358	-	25,358	25,358	370
-	66,285	66,285	-	66,285	66,285	1,330
-	45,988	45,988	-	45,988	45,988	11,012
-	28,449	28,449	-	28,449	28,449	651
-	26,686	26,686	-	26,686	26,686	10,114
-	43,500	43,500	-	43,500	43,500	-
-	6,292	6,292	-	6,292	6,292	-
-	257,345	257,345	-	257,345	257,345	-
-	100,052	100,052	-	100,052	100,052	-
-	24,643	24,643	-	24,643	24,643	-
-	18,166	18,166	-	18,166	18,166	-
-	15,110	15,110	-	15,110	15,110	-
-	23,139	23,139	-	23,139	23,139	-

	CFDA Number	Federal Grants Awarded
<i>Year ended September 30, 2006</i>		
Department of Health and Human Services (Continued)		
Passed through the Department of Community Health (Continued)		
CSHCS - Case Management (6416)	93.994	\$ 30,442
CSHCS - Fee for Service (6416)	93.778	59,400
M&CH Services Block Grant (6441)	93.994	17,203
Family Planning project (6441)	93.217	85,449
Childhood Lead (6452)	93.994	40,000
IAP (6710)	93.268	77,995
IAP Fee for service (6710)	93.268	6,950
Vaccine Provided (6710)	93.268	662,040
MCH (6710)	93.994	148,623
Breast and Cerv Cancer Scrn-Coordination (6714)	93.919	82,450
Substance Abuse Prevention (6811)	93.959	1,747
Passed through the Lakeshore Coord. Council		
Substance Abuse Prevention (6811)	93.959	112,000
		7,430,318
Department of Housing and Urban Development		
HUD Supportive Housing (2220-7050)	14.238	94,320
HUD Supportive Housing Supplemental (2220-7051)	14.238	6,775
Passed through the Michigan Economic Development Corporation		
Western Ave Redevelopment (2876) MSC-204071-EDIG	14.228	1,000,000
Passed through the Department of Community Health		
Lead Hazard Remediation (6456)	14.900	80,000
		1,181,095
Department of Environmental Protection Agency		
Passed through the Michigan Department of Environmental Quality		
Beach Monitoring (6201)	66.468	12,279
Operator Certification (6201)	66.471	5,400
Capacity Development (6201)	66.468	503
Arsenic Rule Implementation (6201)	66.468	974
		19,156
Federal Emergency Management Agency		
Passed through the Michigan Department of State Police		
Emergency Services (1190-0426)	83.544	34,409
		34,409
		\$37,115,507

County of Muskegon, Michigan

Schedule of Expenditures of Federal Awards

Federal Grants Earned			Program Expenditures Incurred			Funds Available
Prior Years	Current Year	Total	Prior Years	Current Year	Total	
\$ -	\$ 30,442	\$ 30,442	\$ -	\$ 30,442	\$ 30,442	-
-	59,400	59,400	-	59,400	59,400	-
-	17,203	17,203	-	17,203	17,203	-
-	85,449	85,449	-	85,449	85,449	-
-	40,000	40,000	-	40,000	40,000	-
-	77,995	77,995	-	77,995	77,995	-
-	6,950	6,950	-	6,950	6,950	-
-	662,040	662,040	-	662,040	662,040	-
-	148,623	148,623	-	148,623	148,623	-
-	82,450	82,450	-	82,450	82,450	-
-	1,747	1,747	-	1,747	1,747	-
-	112,000	112,000	-	112,000	112,000	-
-	7,225,182	7,225,182	-	7,225,182	7,225,182	205,136
-	81,172	81,172	-	81,172	81,172	13,148
-	6,711	6,711	-	6,711	6,711	64
-	474,314	474,314	-	474,314	474,314	525,686
-	80,000	80,000	-	80,000	80,000	-
-	642,197	642,197	-	642,197	642,197	538,898
-	12,279	12,279	-	12,279	12,279	-
-	5,400	5,400	-	5,400	5,400	-
-	503	503	-	503	503	-
-	974	974	-	974	974	-
-	19,156	19,156	-	19,156	19,156	-
-	34,409	34,409	-	34,409	34,409	-
-	34,409	34,409	-	34,409	34,409	-
\$ 12,106,022	\$ 16,486,060	\$ 28,592,082	\$ 12,106,022	\$ 16,486,060	\$ 28,592,082	\$ 8,523,425

County of Muskegon, Michigan

Notes to Schedule of Expenditures of Federal Awards

1. General

Expenditures are recorded on the accrual basis of accounting. Revenues are recognized when qualifying expenditures have been incurred and all other grant requirements have been met.

Expenditures in the Schedule of Expenditures of Federal Awards agree with amounts reported as federal revenue in the financial statements.

County of Muskegon, Michigan

Schedule of Findings and Questioned Costs September 30, 2006

Section I - Summary of Auditors' Results

Financial Statements

The auditors' report expresses an unqualified opinion on the financial statements of the County of Muskegon, Michigan.

The audit did not disclose any material weaknesses relative to internal control over financial reporting.

The audit did not disclose any reportable conditions that were not considered to be material weaknesses relative to internal control over financial reporting.

The audit did not note any noncompliance which is material to the financial statements of the County of Muskegon, Michigan.

Federal Awards

The audit did not disclose any material weaknesses relative to internal control over major programs.

The audit did not disclose any reportable conditions that were not considered to be material weaknesses relative to internal control over major programs.

The auditors' report on compliance for all major programs of the County of Muskegon, Michigan expresses an unqualified opinion, except for WIA Cluster which was qualified.

The audit did disclose a finding relative to major programs that is required to be reported herein in accordance with Section 510(a) of OMB Circular A-133.

The County had five major programs: Community Development Block Grants/State's Program - CFDA #14.228, WIA Cluster CFDA #17.258/.259/.260, Federal Transit Cluster - CFDA #20.500/.507, Immunization Grants - CFDA #93.268 and Homeland Security Cluster - CFDA #97.004/.067.

The dollar threshold used to distinguish between Type A and Type B programs was \$494,582.

The County of Muskegon, Michigan qualified as a low-risk auditee.

County of Muskegon, Michigan

Schedule of Findings and Questioned Costs September 30, 2006

Section II - Findings Related to the Financial Statements

There were no findings which are required to be reported under *Government Auditing Standards*.

Section III - Findings and Questioned Costs for Federal Awards

2006-1

Federal Program

CFDA #17.258/.259/.260 - WIA Cluster

Specific Requirements

Cash Management - The grantee must minimize the time between when cash is transferred from the U.S. Treasury and disbursement. In accordance with federal regulations, this period should not be longer than three days.

Condition

At September 30, 2006 the grantee had significant excess funds on hand that were not disbursed within the required three day period.

Questioned Cost

For the period ending September 30, 2006 the grantee earned \$1,408.54 in interest on the excess cash.

Context

The finding is an isolated incident. No other findings relating to cash management were noted

Recommendation

The County of Muskegon should continue to monitor cash expenditures and requirements to insure that excess funds are not drawn down.

Views of Responsible Officials and Planned Corrective Actions

The Department in question has instituted an intensive cash flow program to assure compliance with the three day rule. In addition to closely monitoring the funds, the Department has also developed a written procedure that guarantees at least a monthly review of each fund's cash position and the reason for its position, either negative or positive.